Book Reviews

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Mie Augier and James G. March: The Roots, Rituals, and Rhetorics of Change: North American Business Schools after the Second World War. Stanford, CA: Stanford University Press, 2011. 364 pp. $45.00, cloth and e-book.

The United States was a nation transformed in the years after World War II. With the Depression and its military triumph in Asia and Europe a memory, America was the greatest political and economic power on earth. The inevitable optimism that accompanied such status, combined with an appreciation for the scientific, manufacturing, and operations acumen that enabled the military victory, sparked an unprecedented increase in the number of university students. The ensuing Cold War competition, also enabled by scientific discovery, helped to sustain an unprecedented interest in higher education. But as Augier and March point out, those interested in a business education at the time encountered schools that ''were seen by many academics as using poorly trained faculty to provide intellectually undemanding vocational training for students of limited talent'' (p. 28). They quote Herbert Simon, affirming that business education back then was ''a wasteland of vocationalism'' (p. 28). A narrow and specialized curriculum grounded in executives' career reflections and atheoretical descriptive research neither challenged students in the classroom nor prepared them to lead when they left. The time was ripe for reform. In *The Roots, Rituals, and Rhetorics of Change*, Augier and March offer us a compelling discussion of the transformations that followed.

The reform story is a complicated one of course, but in their hands, it is easy to grasp. Moved by the scientific revolution that Abraham Flexner brought to medicine in the early 1900s and then by Robert Hutchins' celebration of fundamental knowledge and its interdisciplinary potential to transform society during his tenure as president of the University of Chicago from 1929 to 1951, business schools began to overhaul their research and teaching missions in the 1950s. The idea of bringing science and fundamental knowledge to bear on society's organizational problems found an early champion in the RAND Corporation, which introduced sophisticated quantitative analyses to problem solving. Inspired, the Ford Foundation committed $35M to improve business education and, along the way, supported four business schools (Harvard, Columbia, Chicago, and Carnegie) with its efforts to conduct problem-oriented research. It also commissioned the now famous Gordon and Howell (1959) report challenging business schools to move away from the vocationalism that so offended Herbert Simon and encouraging their faculty to appreciate the disciplinary foundations of their work, improve the quality of their research, and of course, attract more talented students. Augier and March chronicle the development of the Graduate School of Industrial Administration at Carnegie Tech, calling it ''a poster child of change'' (p. 123) and then close this history by showing us how these initiatives were embraced—or not entirely embraced—at Harvard Business School, the Wharton School, and the Chicago and Stanford Graduate Schools of Business. It is an illuminating read.

So why should we care about the changes that took place in business schools fifty and sixty years ago? The answer is that business schools are once again under the microscope for their shortcomings and failings. We cannot hope to move forward with any wisdom or imagination absent an appreciation for the past that set the stage for our present. To state our troubles gently, ''the ultimate purposes of management and of business schools as institutions are now up for grabs'' (Khurana, 2007: 382). Readers of this book review know well the litany of scholars' contemporary concerns. Our graduates don't know how to think and reason clearly (Moldoveanu and Martin, 2008; Colby et al., 2011). Our scholarship suffers from an overweening attention to theory (Hambrick, 2007), theory that too often does not direct effective management practice (Bennis and O'Toole, 2005; Ghoshal, 2005). Instead of inspiring better business education, the myriad academic ranking systems we see today actually undermine it (Adler and Harzing, 2009; Walsh, 2011). In the end, business schools are seen as at best irrelevant (Pfeffer and Fong, 2002) or at worst, culpable for the many business scandals that bedevil us (Mitroff, 2004; Podolny, 2009). Some call for an overhaul of our MBA programs (Datar, Garvin, and Cullen, 2010), while others ask us to shut them down (Mintzberg, 1996). Augier and March do us a favor by showing us how the post-war reforms set the stage for further change, the limitations and excesses of which now leave so many yearning for reform. It turns out that business education seems to turn on a few key issues.

Augier and March pose three questions for business educators. They ask us to consider how we connect to the lived experience of those who work in, manage, and lead organizations. They ask us to appraise the criteria and justifications we use to orient our work. And finally, they ask us to consider the professional stature of those we educate to manage and lead.

The first question speaks to experience. How are we as business academics to appreciate the experience of those who work in and for organizations? Are we to build our insights—and pedagogy and curriculum—around them directly or are we to maintain some distance and appraise managerial work with our theory and scientific method? The post-war reformation can be seen as a shift from the first approach to the second. As Augier and March conclude, ''By most measures, business schools became more dependent on the lessons of academic research and less tied to the lessons of practical experience'' (p. 190). Most people today know the Gordon and Howell (1959) report as a catalyst for such a shift (e.g., Walsh et al., 2007); the virtue of this book is that we now have a complete understanding of where that report came from and how it complemented other forces for change at the time.

How are business educators to orient their scholarship? How do we justify our commitments? Augier and March suggest that we can employ a logic of consequences or a logic of appropriateness. The first embraces a utilitarian morality—''schools can and will justify themselves in terms of their contributions to individual and collective needs and desires'' (p. 223). Alternatively, we can see ''education as an object of faith and beauty and its connection to humanity and human identities'' (p. 233). Any reader of March's (2003) retirement address will know that he is concerned with utilitarianism's current grip on the world of business education. Those drawn to his address will enjoy reading this book's chapter 10, finding words like these: ''Education and research can be seen as lending grace, meaning, delicacy, and elegance to human life, not because those attributes can be shown to yield competitive advantage but because they are basic elements of an educational faith'' (pp. 233–234). And while the authors point out that the ''undisputed criterion'' in business education today is usefulness (pp. 232–233), they do not talk much about the origins of this preoccupation. But given that one of the key drivers for the post-war reformation was ''the contribution of science to society and the solving of practical problems'' (p. 10), we know that a utilitarian morality was alive and well back then too.

A profession exhibits three key attributes. In Augier and March's terms, professionals work from an autonomous knowledge base, their status is socially regulated, and they are socially trustworthy (pp. 243–245). Though they observe that business schools are seen as professional schools, they note that ''the role of professionalism in management is by no means settled'' (p. 240). Only one of the three attributes ever took hold. The post-war reformers aimed to create that autonomous knowledge base. The authors provide quotations from key players at the time to mark the aspiration (pp. 244–245) and then quite reasonably conclude that ''the reforms of the 1950s and 1960s went a long way toward embedding management in a research-based body of knowledge'' (p. 275). They lament that this base has eroded some over the years but acknowledge that it is still strong. The other two hallmarks of professionalism are still underdeveloped. They point out that there have been no serious attempts to license managers, to provide public examinations to assess their capability, or to create public agencies to enforce rules of conduct (p. 260). Perhaps at best, business schools became a kind of gatekeeper for a managerial class (p. 279). Despairing about the social trustworthiness of managers (pp. 262–268, 308–309), Augier and March conclude that the reforms ''did little or nothing toward making management more socially trustworthy'' (p. 275).

The post-war reform inspired by Flexner and Hutchins, catalyzed by the Ford Foundation, and modeled by the RAND Corporation and Carnegie Tech thus moved business schools to substitute academic knowledge for experiential knowledge in service of the public good. In so doing, they embraced a logic of consequences and slowly began to establish management as a profession. But all things must pass. The limitations of bringing rational and quantitative academic knowledge to the public square were implicated in the failures of the Vietnam War (pp. 93, 302). The promise of interdisciplinary work faded as interdisciplinary groups of scholars revealed talent with lower means and higher variances than those found in disciplinary groups, and, as economists worked with others, they tended to dominate them with their imperialistic tendencies (p. 307). A post-war embrace of science moved to an embrace of social science, and a social science that was increasingly seen as socially constructed and therefore arbitrary and lacking objective validity (p. 302). Perhaps inevitably (Schlesinger, 1999: 27–29), a generalized concern for public purpose gave way to the embrace of private interest (''nurturing the self became a central concern,'' p. 302). And so we find ourselves in a very different place than we were fifty years ago: ''In the 1980s and 1990s, the role of experiential knowledge grew relative to academic knowledge; interdisciplinarity was increasingly subordinated to the discipline of economics; and the idea of managerial social responsibility was largely converted to a sanctification of self-interested action'' (p. 310). The situation today is little changed from what it was in the 1980s and 1990s. How are we to think about all of this?

Long attracted to the fundamental optimism, if not faith, revealed in March's (2003) retirement remarks, I was taken aback by the authors' tone at the end of this book. Augier and March reveal a surprising edge when they use the words ''unremitting masturbation'' to describe the current Chicago-style conception of business responsibility, one that holds no quarter for business leaders who see themselves as serving the public good (p. 309). And truth be told, I was sad to see how the book ended. While fully aware of the allure and even folly of calling any age a Golden Age, they looked back on the 1950s and 1960s and nevertheless concluded, ''briefly, there was Camelot'' (p. 322). I set the book down with an urge to tell them to keep the faith.

I think they know that better days are coming. After all, they are the ones who urge us to keep our sunny-sides up when we try to make sense of the tension between experiential and academic knowledge and not expect a resolution. They saw the tension itself as a sign of our well-being:

> The implicit function of the unending debate between the believers in experience and the believers in scholarship is not to yield definitive answers but to encourage the keepers of institutions of management education to be cautious about embracing simple solutions stemming from glib presumptions that embrace either without attention to the other. (p. 237)

And speaking of the tension between the logic of consequences and the logic of appropriateness, they see a rapprochement: ''There is nobility in utilitarian morality; there is nobility in a morality of identity and aesthetics; and there is nobility in weaving them together to create management education (p. 237). . . . It is possible to introduce an artistry of elegance to the artifacts of efficiency—the opera of balance sheets and the sculpture of business plans'' (p. 236).

Finally, although it is true that management is still far from being a profession in the authors' terms, all may not be lost. Change is usually a response to a significant stimulus or set of stimuli. The financial collapse we have endured since 2008 may yet prompt reform. As I write these words, the CEO of JPMorgan Chase testified before the U.S. Congress about his bank's recent multibillion-dollar trading loss (Goldfarb, 2012), the Barclay's Bank CEO resigned in the middle of an interest-rate-fixing scandal (''Barclays boss Bob Diamond resigns amid Libor scandal,'' 2012), the head of compliance for HSBC resigned during his congressional testimony amid questions about his bank's role in laundering money for the likes of al-Qaeda and Mexican drug traffickers (Popper, 2012), and the shares of Standard Chartered Bank dropped 16.7 percent on charges that it laundered over 250 billion dollars for Iran between 2001 and 2010 (''Standard Chartered shares plunge on laundering charges,'' 2012). Though it may be unreasonable for society to certify, license, and monitor the behavior of all its managers, it is possible to imagine us doing so for those in the financial services sector. After all, the accountants and attorneys who work with and for the bankers are licensed. As their mistakes and misdeeds accumulate, the bankers themselves may soon find themselves licensed and monitored as professionals who are to serve the public good. Moreover, the appearance of Harvard's MBA Oath (Anderson and Escher, 2010) suggests that business school graduates may themselves decide to regulate their own behavior. Change is in the air.

In some ways, this book reveals the limitations of the post-war reformers' enthusiasm for the rational approach to management. Augier and March wrote a terrific appraisal of the reformation and its legacy. And yet, even as they observe the importance of optimism as fuel for reform, they do not see how their own flagging optimism could compromise their work. There is more to leadership than astute analyses. To be fair, optimism may not be necessary to study education, but it is surely necessary to educate. Passion, grace, hope, and commitment matter too. Those responsible for the future of business education really do need to read this book. I only ask that they do so with an optimistic and sturdy commitment to do even better by our students and society in the years ahead.

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